

108TH CONGRESS
2D SESSION

S. 2384

To amend the Small Business Act to permit business concerns that are owned by venture capital operating companies or pension plans to participate in the Small Business Innovation Research Program.

IN THE SENATE OF THE UNITED STATES

MAY 5, 2004

Mr. BOND (for himself, Ms. SNOWE, and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To amend the Small Business Act to permit business concerns that are owned by venture capital operating companies or pension plans to participate in the Small Business Innovation Research Program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SBIR AWARDS TO BUSINESS CONCERNS OWNED**
 2 **BY VENTURE CAPITAL OPERATING COMPA-**
 3 **NIES OR EMPLOYEE BENEFIT OR PENSION**
 4 **PLANS.**

5 (a) IN GENERAL.—Section 9(f) of the Small Business
 6 Act (15 U.S.C. 638(f)) is amended by adding at the end
 7 the following:

8 “(4) ELIGIBILITY.—A business concern shall
 9 not be prevented from participating in the Small
 10 Business Innovation Research Program solely be-
 11 cause such business concern is owned in part by—

12 “(A) a venture capital operating company
 13 that is managed and controlled by 1 or more
 14 United States citizens or permanent resident
 15 aliens; or

16 “(B) an employee benefit or pension
 17 plan.”.

18 (b) RULEMAKING AUTHORITY.—Not later than 180
 19 days after the date of enactment of this Act, the Adminis-
 20 trator of the Small Business Administration shall issue
 21 regulations to—

22 (1) carry out the amendment made by sub-
 23 section (a);

24 (2) ensure that a Small Business Innovation
 25 Research award is not given to a business concern
 26 that is majority owned by—

1 (A) another business concern that is ineli-
2 gible to participate in the Small Business Inno-
3 vation Research Program; or

4 (B) a venture capital operating company or
5 an employee benefit or pension plan that is the
6 alter ego, instrumentality, or identity of another
7 business concern that is ineligible to participate
8 in the Small Business Innovation Research Pro-
9 gram.

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